

RMD Bulletin

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Correct Billing Procedures for Clients with Medi-Cal & Other Health Coverage



Clients who have Medi-Cal and Other Health Coverage (OHC) may present themselves at a Department of Mental Health (DMH) directly operated program for services. The State of California mandates that all mental health providers bill private insurance companies for services rendered to their members, even when the client is eligible for full scope Medi-Cal benefits. Billing OHC is even more important now with the changes in claiming related to implementation of Short-Doyle/Medi-Cal Phase II.

Providers who encounter clients with OHC and Medi-Cal must inform the client that before non-emergency services are rendered the provider needs to contact the OHC and request prior authorization for treatment that has been deemed “medically necessary.” All contact with the OHC is to be documented in the client’s financial folder regardless of whether the OHC approves or denies authorization for treatment.

If the OHC does not authorize services deemed “medically necessary” then this should be documented in the client’s financial folder. The documentation should include the name of the OHC representative, time of the call, date, and the specifics of the conversation that took place. All correspondence is to be filed in the client’s financial folder as well. Remember, even if authorization is denied, adjudication information is required from the OHC in order for the claim to be billable to Medi-Cal if applicable. This means that even if authorization is denied, all claims must be billed to the OHC and adjudicated (either paid or denied) before it can be billed to Medi-Cal.

If the provider receives reimbursement for the actual cost of the service, there would be no balance that would be submitted for Medi-Cal reimbursement. If a provider receives a partial payment from the OHC carrier, Medi-Cal is to be billed for the balance.

For additional information, please refer to RMD Bulletin No: DMH 06-013 Other Health Coverage (OHC) Insurance Billing available on the Revenue Management Division intranet site (<http://dmhhqportal1/sites/RMD/default.aspx>).

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If you have any questions or require further information, please do not hesitate to contact RMD at (213) 480-3444 or RevenueManagement@dmh.lacounty.gov.